

**IMPACT OF WEBSITE QUALITY ON CUSTOMER PURCHASE INTENTION: IN
CASE OF THE AIR TICKET ONLINE RETAIL SECTOR IN MONGOLIA**

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<http://doi.org/10.35409/IJBMER.2019.7787>

ABSTRACT

Recent years, many kinds of internet business platforms are successfully operating in the consumer market, and one of them is a retailing website. Manufacturer companies have more interest to sell their product or services using online shopping websites, and the sites have offered a full variety of items for customers. The consumer had much expertise related to online shopping compared to ten years ago, and the situation has increased market competition among the companies.

Past researchers agreed that purchase intention directly relates to Website quality, such as text content, image, color, easy to use, security, and browsing speed. Mongolian consumers used to prefer face to face purchasing than online purchasing five years ago, and now the situation has already changed. Thus, Research study focused on finding the importance of website quality and the impacts on online purchase intention. The study based on the WebQual model (Barner and Vidgen, 2006) which has six dimensions, including Usability, Website Design, Information quality, Trust, Perceived Risk, and Empathy. SPSS21 software and survey data of 150 respondents who have online shopping experience were used in analyzing the process.

Keyword: Website quality, Purchase intention, WebQual model, Internet business

INTRODUCTION

Online shopping business has highly developed around the world and each business industries such as Airline, Training courses, Trading, Finance are trying to use the advantages of virtual environment. Recent years all of retail business makes sales on online and customer purchasing behavior has changed because it provides several advantages including lower cost, saving time and purchasing from any location for customers. Online retail companies offer their products by website, a smartphone application for increasing revenue, producing a high-valuable database which can predict future loyal consumers (Steven, 2012). Previous researchers approved that website quality is a crucial factor for making an online business. According to Bilgihan (2015), the quality is effectiveness or excellence of a website related to distributing information for viewers and audiences. Poddar (2009) stated that web quality is conformance with consumer expectation and excellent website quality increases consumer purchase intention. Internet buying intention is the desire and willingness of consumers related to evaluating website quality, product information and participating in online deals (Sam, 2009). In Mongolia, four online retail

websites such as 1000zahia.mn, Dalai.mn, Unegui.mn, Shoppy.mn are selling products for customers and their business is only ten years old. Recent years, Mongolian youth have more interest to purchase products from e-commerce websites and they have gained online much purchasing expertise ever before. Thus, online retail companies are strongly competing with each other by website and service quality for attracting new customers and producing loyal consumers. Thus, the research study focused to investigate impacts of website quality factors on customer purchase intention.

2. LITERATURE REVIEW

2.1 Online purchase Intention

The intention is defined by probability of consumer purchasing in the future. Kalinic (2016) defined the intention that it is buyer's final purchasing decision after purchaser finding benefit and positive mind related to certain product or service. Online purchase intention is willingness to buy certain product by using website and smartphone application. Ganguly(2010) stated the intention that the final step of internet transaction is purchase intention to purchase a service or product and used a website. According to Shah Alam (2010), it is situation among customer and seller when customer is ready to make a deal with seller. Customers always gather information from external environment before making purchase and if the external information is positive, customer purchase intention will be high. The buying intention starts from product evaluation and they use external information and previous experience to evaluate the product or service (Nasermoadeli, 2013).

2.2 Website quality

Since 1990, Web technology development rapidly increased and millions of websites started to work in many kinds of business around the world. A large number of websites which distributes information for internet users produced big problems related to audience and viewers attraction among them. Thus, The companies started to give more importance to their website quality and the topic became most popular among researchers. Although previous researchers produced multiple kinds of evaluation model for website quality, the most famous measurement model of website quality is WebQual model of Loiacono and Watson (2006) which has six dimensions, including Usability, Website Design, Information quality, Trust, Perceived Risk and Empathy.

2.2.1 Usability

According to Park&Baek (2007), it can be defined by consumer perservation related to characteristics of website such as easy to use, clear, understandable, easy to navigate and interactive. In Technology Acceptance Model (TAM), Technological attitude of customer is defined by their perception about usefulness and it is positivel and significant effect on select intention. Additionally, Guritno (2013) investigated relationship of Usefullness and Online Purchase Intention and they concluded that there is positive relationship.

H1: Usability of Website positive effects on customer internet purchase intention.

2.2.2 Website Design

The design is crucial factor and increases customer revisits and spending time. It expresses front section of website which includes sound, layout, graphics, images and text. Bai and Law (2008)

stated effective web design increases revisit intention on website. Additionally, Qutaishat (2013) defined that if website has richer media, user attraction of website will be higher.

H2: Website design positive effect on onlin purchase intention

2.2.3 Information Quality

It is related to form, accuracy and amount of information about services and products on website (Ahmad, 2017). The first goal of the website is to attract potential consumers who can purchase product and it can not be implemeted without well information content (Pandey, 2016). Because website design is just first stage to attract consumers and well information become main factors to lead actual purchasing.

H3: Information Quality positive effects on customer purchase intention

2.2.4 Trust

It is customer preservation related to promise of service provider and is characterized by dependence, vulnerability and uncertainty (Lee, 2011). Specially, Trust is essential in online shopping industry and customers take more risks such as transaction, accuracy delivery and product integrity compared to traditional purchasers. Because consumers have not chance to check and purchase certain product in real environment. Thus, Online sellers offer service guarantee after online purchasing to deareas the risk. Therefore, trust is the preliminary condition to consumers' e-commerce participation (Katawetawaraks, 2011).

H4: Website trust is positive effect on consumer online purchase intention.

2.2.5 Perceived Risk

It is determined via possiblity of negative result related to using a service or product. According to Masoud (2013), the risk is associated with the negative consequences of using products after purchasing and it can be online transaction security issues, product defects and privacy. Consumers does not make purchasing from e-commerce sites in case of they thought that it has high risk. During online purchasing, Consumers fill their card information on websites and they worry about financial loss related to certain purchasing action (Sarkar, 2011). Thus, We proposed following hypothesis.

H5: Perceived risk has negative relationship with purchase intention

2.2.6 Empathy

It is non direct human interaction among customer and provider and express individualized attention of service privider based on social media, email, telephone and other communication platforms for caring customers (Kanaujiya, 2015). According to Majali (2015), Empathy is defined via " Personalization" or willingness of employees who can understand consumer needs related to service. Generally, It is not popular in many online shopping sites and can increase service value. Thus, Service with high value directly increase customer purchase intention.

H6: Empathy has positive relationship with online purchase intention

3. CONCEPTUAL FRAMEWORK AND METHODOLOGY

Research framework based on Barnes &Vidgen's Website quality model which has five

dimensions including empathy, trust, information quality, website design, and usability. The dimensions were defined by independent variables and online purchase intention was identified by dependent variable in the framework.

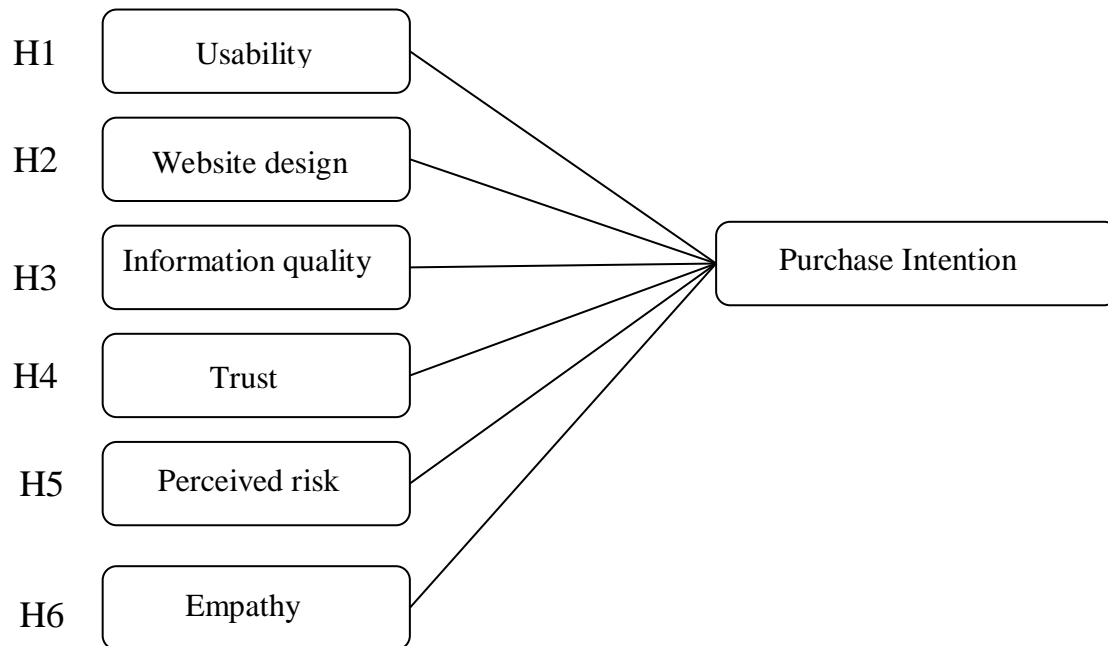


Figure 1: Conceptual framework

3.1 Research methodology

The research respondents were Mongolian female and male workers and ages between 20-34 from Ulaanbaatar city, the number of respondents who were contacted online was 150. The respondents were targeted on a convenient basis through nonprobability sampling. The most reasonable cause of choosing workers was they have enough financial potential to use online retail websites and the usage of 20-34 ages people most higher.

In recent years, people more like to use the internet than offline platforms (newspaper, television, radio etc). For this reason, Our research team decided to take the survey online by Google Form questionnaires. That is an easy way to more quickly take the response and also we promote our online survey by Facebook ads. Nowadays Facebook is becoming more complexed and it shows content for the people by their age, gender, education, and their relationship status. The survey included 35 questions and is divided into 5 categories. Each question based on a Likers scale which is expressed numerical value such as Strongly disagree=1, disagree=2, average=3, Agree=4, and Strongly Agree=5.

3.2 Demographic informations

Figure 2 shows the gender of respondents and 58 percent of total participants female, it means female college students more actively answered than male.

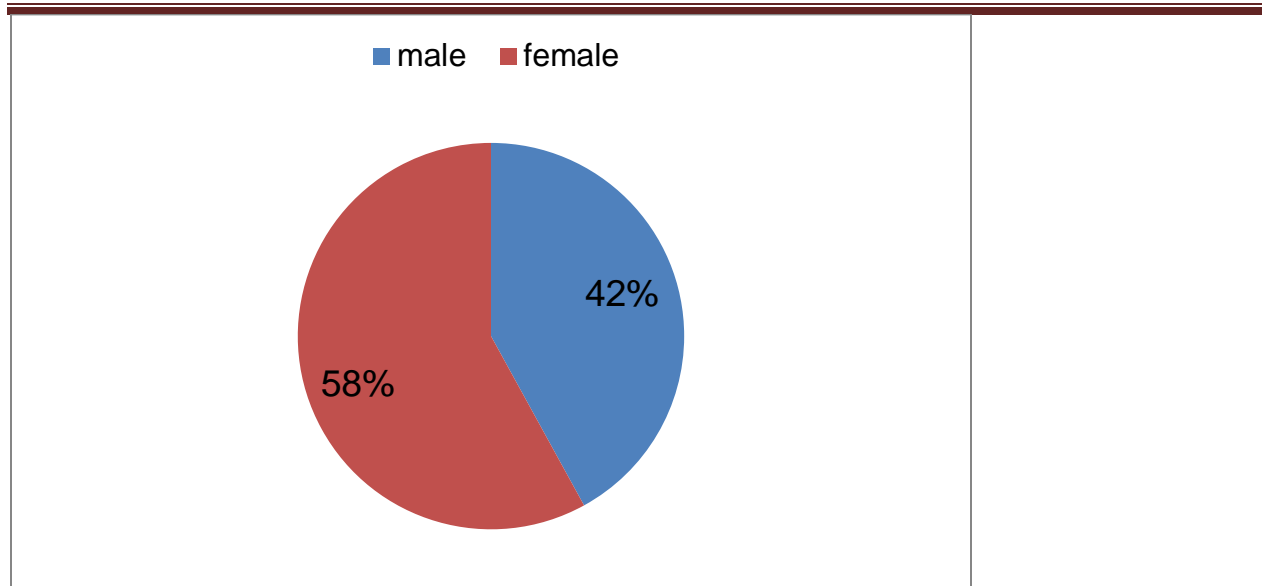


Figure 2: Gender of Respondents

Participants who entered the survey ranging from 20 years old to 34 above. Below graphic shows, the highest rate 38 percent is 25 to 29 years old users, also 20 to 24 years old and 30 to 34 years users belong to 28 percent and 34 percent. Figure 4.3.2 shows the respondent's age level.

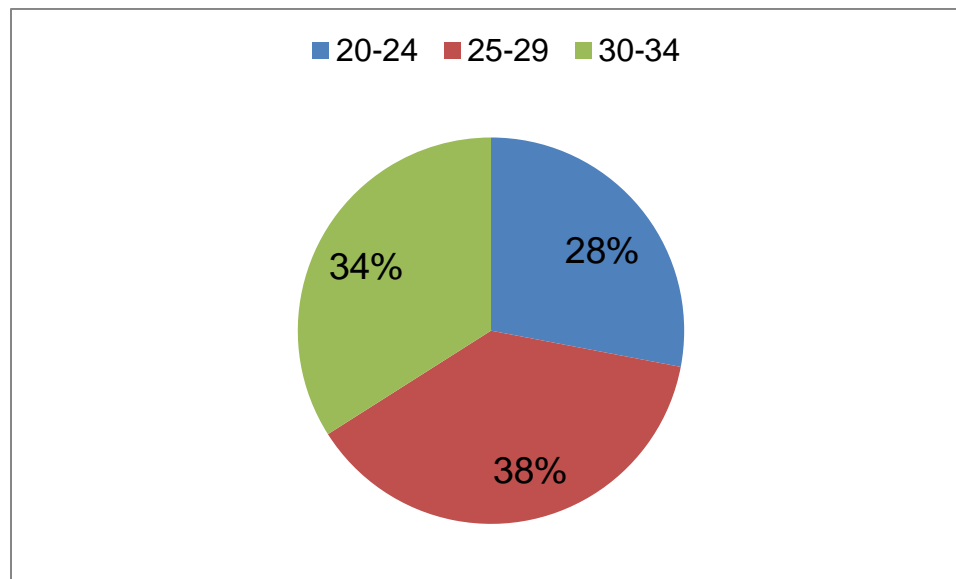


Figure 3: Age of Respondents

Respondents who participated in the survey belong to two different work industries which is Mongolian Private sector and Government sector. Each group was highlighted as different colors which indicated by their percentages on the chart. The highest percentage of the participants were shown in blue color which belongs to the Private sector. Vice versa lowest being red with

only 39% belongs to a category named other.

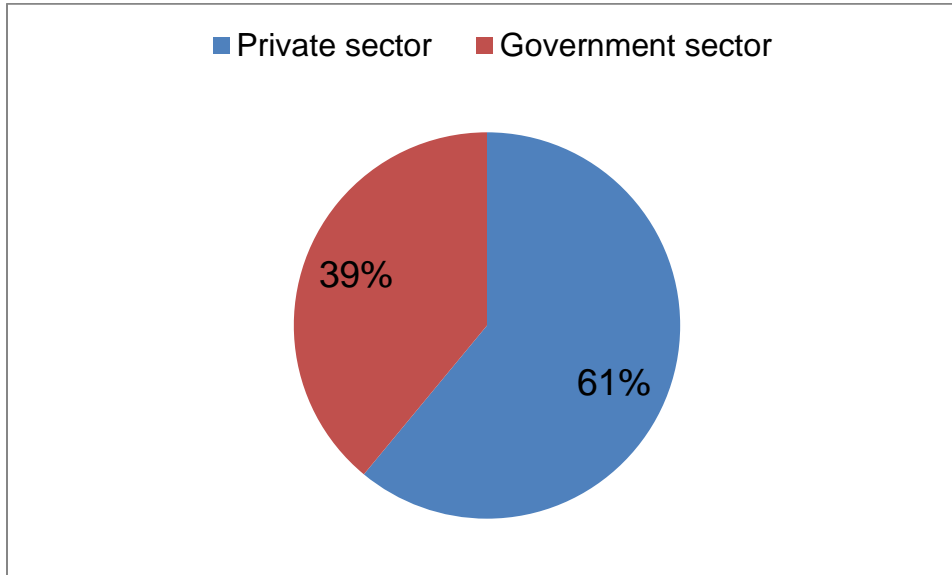


Figure 4: Age of Respondents

3.3 Reliability analysis

This section helps to assess the goodness of measure and indicates accuracy in measurement. Also in this section uses the most popular test of inter-item consistency reliability that is the Cronbach's coefficient alpha. If Cronbach's Alpha is less than 0.35 means low reliability, and Cronbach's Alpha is more than 0.7 means high reliability.

Table 2: Item Statistics

Variable	Cronbach's Alpha	Internal Consistency
US	0.814	Excellent
WD	0.821	Excellent
IQ	0.736	Good
TR	0.808	Excellent
PR	0.841	Excellent
EM	0.732	Good
PI	0.723	Good

The most of experts agree with Cronbach's Alpha value at least 0.5 is acceptable for the analysis. As you see from Table 2, all of the data items Cronbach's Alpha value is higher than 0.7 and it means each item reach to the acceptable level.

3.4 Correlation analysis

Reason for using correlation analysis is to measure the power level of association between two variables and their relationship direction. The correlation coefficient must be equal between -1 and +1. If the correlation coefficient value is 0, it means the relationship between the variables are weak. Any correlation relationship is indicated by the sign of the coefficient; plus sign means a positive relationship and a minus sign means a negative relationship.

Table 3: Result of Correlation Analysis

	US	WD	IQ	TR	PR	EM	PI
US							
WD	.421**						
IQ	.318**	.461**					
TR	.575**	.198**	.378**				
PR	.331**	.441**	.389**	.401**			
EM	.352**	.361**	.293**	.412**	.512**		
PI	.413**	.521**	.489**	.425**	.351**	.189**	

** . Correlation is significant at the 0.01 level (2-tailed).

As you can see from Table 3, Online retail websites and it’s dimensions such as Usability(US->PI: r=.413, p<0.01), Website design(WD->PI: r=.521, p<0.01), Information quality (IQ->PI: r=.489, p<0.01), Trust (TR->PI: r=.425, p<0.01), Perceived risk (PR->PI: r=.351, p<0.01), Empathy (EM->PI: r=.189, p<0.01) have positive and highly significant relationship with Purchase intention.

3.5 Regression analysis

The reason for making the Regression analysis is a statistical analysis method that is used to determine the quantitative relationship of interdependence between two or more variables. R-squared is a statistical measure of how close the data are to the fitted regression line.

Table 4: Model Summary (US, WD, IQ, TR, PR, EM->PI)

Model Summary					
Model	R	R Square	Adjusted Square	R	Std. The error of the Estimate
1	.732 ^a	.529	.525		.7527

a. Predictors: (Constant), US, WD, IQ, TR, PR, EM

b. Dependent Variable: PI

Table 4 shows the model summary of regression analysis. We found that the adjusted R square of our model is .525 ($R^2 = .525$). It means the linear regression model explains 52.5% of the variance in the data.

Table 5: Coefficients^a(US, WD, IQ, TR, PR, EM ->PI)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.647	.301		4.184	.002
	US	.310	.049	.381	7.745	.000
	WD	.591	.051	.480	5.152	.000
	IQ	.534	.062	.435	3.202	.010
	TR	.492	.055	.389	6.133	.030
	PR	.291	.043	.192	5.281	.020
	EM	.189	.048	.101	2.345	.000

Based on table 5, Standardized Beta Coefficient of Ease to use equal to .480 which is the strongest predictor for Purchase intention. Also, Information quality has a Beta coefficient of .435 shows the powerful impact on Purchase intention and also Trust (beta= .389) , Usability (beta= .381) impact on Purchase intention strongly. The other factors such as Perceived risk (beta= .192) and Empathy (beta= .101) has weak impacts on Purchase intention.

Hypothesis H1: “Usability positive effects on Purchase intention” is accepted at the level of significance $p = 0.000$ (Standardized Coefficients = .381). That shows usefulness has significant Purchase intention.

Hypothesis H2: “Website design positive affect Purchase intention” is accepted at the level of significance $p = 0.000$ (Standardized Coefficients = .480). It shows the ease to use has significant Purchase intention.

Hypothesis H3: “Information quality positive affect Purchase intention” is accepted at the level of significance $p = 0.010$ (Standardized Coefficients = .435). It means the perceived value has significant Purchase intention.

Hypothesis H4: “Trust positive affect Purchase intention” is accepted at the level of significance $p = 0.030$ (Standardized Coefficients = .389). That shows usefulness has significant with Purchase intention.

Hypothesis H5: “Perceived risk positive affect Purchase intention” is accepted at the level of significance $p = 0.020$ (Standardized Coefficients = .192). It shows the ease to use has significant with Purchase intention.

Hypothesis H6: “Empathy positive effects on Purchase intention” is accepted at the level of significance $p = 0.000$ (Standardized Coefficients = .101). It means the perceived value has significant Purchase intention.

From the results, Hypothesis H1, H2, H3, H4, H5, H6 were supported. Also most strongest influencing factors for Purchase intention were Website design, Information quality, Trust and Usability.

4. CONCLUSION AND SUGGESTION

As the result, Website design is more important for online retail websites and Purchase intention. Accordingly, I advised for the Mongolian online retail companies which want improve their sales and successfully competing with others:

Mongolian online retail companies need to give more attention to Website visual design, such as more clear formatics, easy for use, colorfully. Because customers want to use more high designed convenient websites.

1. Trust is most essential in the online retail sector, and customers never get the service again from the certain websites when their workers or partners made a mistake such as fake products, transferring delay and losing customer information. Thus, the websites need to care about service quality.
2. Customers always read all of posted informations on the website. When the websites stop update informations or post not high quality informations, customers will leave the current retail website. Thus online retail websites have to control information quality.

Finally, Web site design, Information quality, Trust are the fundamental reason for customer purchase intention in the online retail sector, and the online retail websites who can provide the most valuable service compared to competitors can attract new potential customers and save current consumers. Therefore, they have to constantly evaluate and develop website designs and information quality to survive in the online retail market.

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